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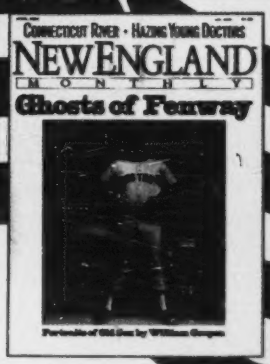

The spirit of independence

Meeting the entrepreneurial challenge

Love of magazines, vision, and a strong will to achieve on their own inspired these seven individuals to start magazines, despite the risks. **68**

Guideposts' leading-edge fulfillment system

An opportunity to share in the planning and implementation of this large-scale, real-time subscription fulfillment system that fully exploits available technology. **80**

GCR separations pass *Newsweek* test

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Ebony's Johnson: 'Long term, we'll win'

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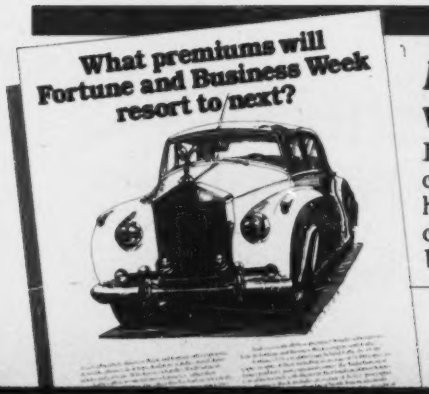

Forbes: The underdog with a bite

In this exclusive interview, Malcolm Forbes explains what fuels his magazine's aggressive trade ad campaign against giants *Business Week* and *Fortune*. **87**

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Too many publishers are failing to take advantage of the low-cost, high-yield potential of insert cards.

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Business magazines' ad pages flat 30

FOLIO: poll at Association of Business Publishers conference indicates some first half gains and losses, but overall, ad pages aren't moving. Outlook is better for second half.

Science magazines dominate National Magazine Awards 13

The science category has had rough financial times of late, but four science magazines earned editorial recognition from their peers at the annual National Magazine Awards.

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BRIEFINGS

'86 continues to be lackluster advertising year for consumer magazines

There's no cause for celebration on the advertising front among consumer magazine publishers these days. Ad pages through April were down 1.4% and ad revenue was up 3% through April, according to the Publishers Information Bureau. *Good Housekeeping* publisher Lou Porterfield sees a continuation of the so far flat year for the industry, and a slightly improved year for his own publication. At *Business Week*, where ad pages were down 15.9% through early June, publisher John Patten says that advertisers have been buying space "in increments, as issues come up," rather than in large blocks. *Family Circle* is running 12 pages ahead of last year's pace, reports publisher Tom Redd, who notes that the women's category is having a "soft summer." NBC's decision to sell freestanding 15-second commercials has clouded Redd's view of the fourth quarter. "It could impact our business substantially," he says. Redd adds that all product categories are running "on par" with last year, with the exception of cigarette advertising, which is down.

Verdict imminent in breach of contract suit against major national distributor

Can a national distributor be held responsible for the financial troubles of a magazine client? D. S. Magazines has taken its former distributor, Warner Publisher Services, to court, charging breach of contract and asking approximately $58 million in damages. D. S., whose publications include *Tiger Beat* and other teen titles, claims Warner so neglected the marketing and distribution of its magazines during several years before D. S. broke its contract in 1985 as to seriously impair the publications' circulation and advertising. (The last available figures from the Audit Bureau of Circulations, for the second half of 1984, showed *Tiger Beat*'s total circulation, at 88,833, as being down 38%, and its single-copy sales as being down by 44%.) Warner is counter-suing for approximately $1 million in overdrafts outstanding when D. S. and Warner split, according to Warner's attorney. Neither D. S. nor Warner executives would comment while the case was being tried.

Off-shore paper imports hold their ground

Despite the drop in the value of the U.S. dollar, off-shore imports of paper are likely to continue from several major worldwide producers who have targeted key segments of the U.S. printing paper market for long-term growth. This prediction comes from a study compiled by Walker Wiener Associates, a New York-based market research firm. "The U.S. market can no longer be considered a provincial market," notes the firm. "Old-line relationships appear to have less of an impact on future buying decisions." Supporting these statements, Walker Wiener reports that total imports of printing paper (excluding Canadian sources) were up 4.4% in 1985, with coated groundwood imports up 16.6% (*see chart*). However, the flow from abroad may well have peaked in 1985: After an active first half, imports of coated paper (both groundwood and free sheet) fell sharply in the second half (from 218,400 to 156,300 metric tons). Coated paper imports for first quarter 1986 were only slightly higher than levels reached in the third and fourth quarters of 1985.

U.S. imports of printing paper, 1985 vs. 1984
(excludes Canadian sources)

	1984	1985	% change
	(000 metric tons)		
Coated groundwood	223	260	16.6%
Uncoated groundwood*	471	441	(6.4)
Coated free sheet	99	115	16.2
Uncoated free sheet	249	139	(44.2)
Newsprint	193	334	73.1
Total	1,235	1,289	4.4

*Includes supercalendered paper
Source: Walker Wiener Associates

Study finds consumers ho-hum over 'adult' titles in c-stores

"Adult" magazine publishers may find some small comfort in the results of a recent national survey conducted by the Gallup Organization. Some 83% of 1,441 adults queried said either that they approved of their local convenience store selling adult magazines or they didn't care one way or the other. Less than half were even aware that the c-store they most fre-

iaries are not members. Without such approval, ABP is in danger of losing members such as ABC Publishing, which is now part of nonmember Capital Cities Communications (which also owns nonmember Fairchild Publishing). Lack of bylaw flexibility could also deter new membership.

The second factor is whether or not there will be a further reduction in dues. Last year, ABP said that its goal was to reduce dues by 25 percent per year for two years, but it is unclear at present how soon and how much ABP will cut dues beyond the 25 percent reduction already made.

ABP is projecting a $405,000 surplus by the end of June—a record high. Moreover, the association apparently did manage to keep its expenses down to its budgeted $1.75 million, which was less than half its expenses in the previous (1984/1985) fiscal year.

Waiting to hit $500,000

But, in part because the surplus had fallen to $109,000 at the end of the last fiscal year (June 30, 1985), ABP decided that there would be no more dues reductions until the surplus hits $500,000. If the current rates of income and expenses continued, Mucchetti told FOLIO:, it's possible that $500,000 would be reached by April 1987, which would be within the two-year goal period. However, he stressed that it is premature to speculate about future dues cuts because the ABP board is still in the process of budgeting for the next fiscal year, and its priorities for expenditures have yet to be determined.

"An additional dues reduction, whenever it occurs, will not necessarily be 25 percent," he said. "It will be whatever cut can be made while still maintaining the other goals and priorities" that will be determined and reflected in the new budget.

One "key factor" affecting the dues is how much the board decides to allocate for space insertions for ABP's new campaign promoting advertising in the specialized business press, Mucchetti acknowledged. (*See Update on the campaign, page 26.*) He also emphasized that how much total revenue is available to apportion to dues and various other priorities depends to a large extent on membership, which in turn depends heavily on the approval of the more flexible bylaws regarding membership of companies in merger/acquisition situations.□

78% of monthlies delivered late

There was another slight improvement in on-time delivery of monthly second class publications during the first quarter of 1986, as the percentage of publications delivered late decreased to 78 percent as compared with 80 percent in the fourth quarter of 1985. During the third quarter of 1985, 84 percent of monthly publications were delivered late.□

Publication delivery box score:
Monthly second class publications, January-March 1986

City	Better than USPS standard	Service standard	1-6 days late	Later
Composite average*	**4%**	**18%**	**67%**	**11%**
Boston (Area 021)	2	19	76	3
New York (Area 100)	5	19	72	4
Buffalo	7	19	68	6
Pittsburgh	5	8	71	16
Philadelphia (Area 152)	2	0	57	41
Washington, D.C.	2	14	78	6
Atlanta	3	19	76	2
Miami	8	37	48	7
Memphis	0	0	87	13
Cincinnati	6	14	72	8
Detroit	0	2	76	22
Milwaukee	2	4	86	8
Minneapolis	4	16	77	3
Chicago	2	9	79	10
New Orleans	0	0	72	28
Dallas	4	37	55	4
Houston	2	23	58	17
Denver	5	29	60	6
Los Angeles	1	25	51	23
San Francisco	12	40	47	1
Seattle	9	37	51	3

*Including other U.S. cities and SCFs not listed
Source: Red Tag News Publications Association, Inc.

More consumer magazines go 'perfect'

Playboy isn't the only one going to perfect binding these days. Having switched to saddle-stitched binding only five years ago, *Mademoiselle* will shift back to perfect with its September 1986 issue. Meanwhile, *Texas Monthly*, saying it has gotten too big for its staples, will start using perfect binding with its October issue.

With perfect binding, it will be easier and less costly for advertisers to place scent strips, cosmetic color samples and other inserts in the magazine, explains Marlana Rathgab, director of creative services at *Mademoiselle*. Research also indicates that readers should perceive that they are getting more for their money because of the feel of a perfect bound magazine, she says. Finally, with the change, *Mademoiselle* will be employing the same type of binding as the rest of Conde Nast's magazines, which will mean a minor production efficiency.

Back in 1981, when *Mademoiselle* switched from perfect binding, it was felt that saddle-stitching gave a magazine more of a "newsy" feeling, like the saddle-stitched newsweeklies, says Rathgab. The saddle-stitching was also meant to help differentiate *Mademoiselle* from sister magazine *Glamour*.

Jerri Brown Evans, production director at *Texas Monthly*, says perfect binding will give the 14-year-old state magazine more of an "upscale" look as well as open up more positions for inserts. She also notes that the magazine has gotten so fat with pages that the covers tend to pull away from the binding staples, particularly on copies that are passed on to several readers.

Because perfect binding takes more time, the magazine's ad closing will now be two days earlier.□